

2013 DRAFTING REQUEST

Bill

Received:	1/4/2013	Received By:	emueller
Wanted:	As time permits	Same as LRB:	
For:	Administration-Budget	By/Representing:	Bong
May Contact:		Drafter:	emueller
Subject:	Public Util. - misc. State Govt - miscellaneous	Addl. Drafters:	
		Extra Copies:	MDK

Submit via email: **YES**

Requester's email:

Carbon copy (CC) to:

Pre Topic:

DOA:.....Bong, BB0341 -

Topic:

Broadband expansion grant program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 1/11/2013			_____			
/P1	emueller 1/31/2013	scalvin 1/11/2013	phenry 1/14/2013	_____	lparisi 1/14/2013		State S&L
/P2	emueller 2/5/2013	scalvin 1/31/2013	phenry 1/31/2013	_____	lparisi 1/31/2013		State S&L
/P3	emueller	kfollett	rschluet	_____	lparisi		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	2/6/2013	2/5/2013	2/5/2013	_____	2/5/2013		S&L
/P4		kfollett 2/6/2013	phenry 2/6/2013	_____ _____	lparisi 2/6/2013		State S&L

FE Sent For:

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/P3		kfollett	rschluet		lparisi		State

/P4 EVM
2/6/13

1P4/GF
2/6 2/6 ph

Vers. Drafted

Reviewed
2/5/2013

Typed
2/5/2013

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Submitted
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/P3 em
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1P3
2/5
2813

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/P1		scalvin 1/11/2013	phenry 1/14/2013	<u>ph</u>	parisi 1/14/2013		State S&L
FE Sent For:		/P2 sac 01/31/2013	1/24 ph				

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/?	emueller						
/PI	EUM 1/11/13	/PI SAC 01/11/13	1/14 ph	ph dm			
FE Sent For:							

<END>

Mueller, Eric

From: Kunkel, Mark
Sent: Thursday, January 10, 2013 3:06 PM
To: Mueller, Eric
Subject: FW: Statutory Language Drafting Request - BB0341

I received the response below, so I'm waiting to hear back for more info. I'll call her tomorrow to ask for any updates.

From: Bong, Sasha E - DOA [<mailto:SashaE.Bong@wisconsin.gov>]
Sent: Friday, January 04, 2013 1:07 PM
To: Kunkel, Mark
Subject: RE: Statutory Language Drafting Request - BB0341

Mark,

Below are answers to your questions. I should note that we are not scheduled to brief the Governor on DOA until January 8th, so some of these answers may change depending on the decisions made. I apologize in advance for any inconvenience.

1. Yes—the appropriation for this program would also be sum certain.
2. The intent would be to allow for-profits, nonprofits, and cooperatives to participate in the program. The use of 'possibly' in the background document only indicates that this program is still being developed.
3. Proposals would not be used to subsidize ongoing telecomm expenses or consumers' monthly bills. The overall intent is to emphasize expanding physical, rather than financial, access to broadband.
4. At this point, we would like to establish the three tiers as listed without the suggested amounts. Amounts may be added later, but at this point, we don't have a decision on that.

Please email or call (266-5468) with any further questions.

Thanks,

Sasha

From: Kunkel, Mark [<mailto:Mark.Kunkel@legis.wisconsin.gov>]
Sent: Thursday, January 03, 2013 5:37 PM
To: Bong, Sasha E - DOA
Subject: FW: Statutory Language Drafting Request - BB0341

Sasha:

1. It appears that most appropriations from the universal service fund under current law are sum certain amounts. I assume you want to do the same for this request? So you want to appropriate the amounts in the schedule for the grants, is that right?

2. The attachment says that grants are available for local government entities and “possibly” for nonprofits, for-profits, and cooperatives. I’m not sure what you mean by “possibly.” Do nonprofits, etc., get grants only if money is available after giving grants to local government entities? Or do you mean something else?
3. The end of the 5th bullet point looks like it is missing some words (see “consumer’s monthly”).
4. The 7th bullet points says the three tiers are suggestions. Can you elaborate on what you want here?

Thanks,

--Mark

From: Hanaman, Cathlene
Sent: Thursday, January 03, 2013 2:43 PM
To: Kuczenski, Tracy; Kuesel, Jeffery; Kunkel, Mark; Mueller, Eric
Subject: FW: Statutory Language Drafting Request - BB0341

I don’t know who would do this one, so I am sending it to several of you.

From: SashaE.Bong@wisconsin.gov [<mailto:SashaE.Bong@wisconsin.gov>]
Sent: Thursday, January 03, 2013 2:40 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Kraus, Jennifer - DOA; Bong, Sasha E - DOA
Subject: Statutory Language Drafting Request - BB0341

Biennial Budget: 2013-15

Topic: Broadband Grant Program

Tracking Code: BB0341

SBO Team: GGCF

SBO Analyst: Bong, Sasha - DOA
Phone: (608) 266-5468
E-mail: SashaE.Bong@wisconsin.gov

Agency Acronym: DOA

Agency Number: 505

Priority: Medium

Intent:

Create language establishing a broadband expansion grant program administered by DOA. Grants must be used for building broadband infrastructure, with an emphasis on areas of the state with limited or no broadband access. Grants would be available to local government entities, and for-profits, nonprofits and cooperatives could also apply.

The program would be funded by a new, biennial appropriation, using funds from the Universal Service Fund:

Please see the attached document for further information.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

Wisconsin Broadband Grant Program

Proposal

To overcome the costs restricting broadband expansion, Wisconsin will implement a grant program.

Funding Source

The Universal Service Fund (USF) was created to develop the state's telecom infrastructure and availability.

Features of Wisconsin Broadband Expansion Grant proposal

- Available to local government entities (Counties, municipalities).
- Possibly for-profits, non-profits, and cooperatives will be allowed to apply.
- Grant proposals will be evaluated by the Department of Administration.
- Must be used for building broadband infrastructure.
 - Sample grant proposals
 - Upgrade government-owned structures for broadband infrastructure (upgrading water towers for wireless relays, purchasing right of ways for fiber optic cables, etc.)
 - Develop county-wide wireless internet partnership with internet service provider (See Kenosha County project).
 - A community internet center that provides access to computers, training, and outreach.
 - A private-public partnership to lay fiber optic cables to under or unserved areas.
- The goal of the grants is to increase access and capacity for Wisconsin's underserved areas. Proposals should not be used to subsidize ongoing telecomm expenses or consumer's monthly
- Emphasis on rural or other areas with no or limited broadband access.
 - Wisconsin broadband map can be used
<http://www.link.wisconsin.gov/lwi/maps.aspx?bhcp=1>
- Three tiers of grants (These amounts are suggestions, it would depend on each grant proposal)
 - Tier 1: \$0 - \$100,000 - Grants with no matching requirement
 - Tier 2: \$0 - \$350,000 - Match grants - State increases grant based upon local government or non-profit matching funds
 - Tier 3: \$0 - \$500,000 - Public-Private partnership grants - State ties grant total to joint investments by local governments and private telecomm.
- The different tiers are intended to encourage grant proposals that include local and private sector matches.



(Note)
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0996/P1

EVM:|.....

sac

DOA:.....Bong, BB0341 – Broadband expansion grant program

(RMR)

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

In 1/11/13

do not gen
1 **AN ACT** ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT ✓

OTHER STATE GOVERNMENT ✓

This bill creates a broadband expansion program. Under the program, DOA makes broadband expansion grants from the universal service fund to applicants for the purpose of constructing broadband infrastructure. DOA must establish three tiers of grants, one that requires no matching funds by the applicant, one that requires matching funds by the applicant, and one that requires a joint investment by the applicant. DOA must also establish criteria for evaluating applications and awarding grants. These criteria must give priority to projects that will increase broadband access and capacity in areas of the state with limited or no broadband access and may not have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers. *X*

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.9795 of the statutes is created to read:

16.9795 Broadband expansion grant program. The department shall administer the broadband expansion program and shall have the following powers:

(1) To make broadband expansion grants to applicants for the purpose of constructing broadband infrastructure. The department shall establish ~~three~~³ tiers of grants under the program. One tier shall require no matching funds by the applicant, one tier shall require matching funds by the applicant, and one tier shall require a joint investment by the applicant. Grants awarded under this section shall be paid from the appropriation under ^{s.} 20.505 (4) (u).

(2) To prescribe the form, nature, and extent of the information that shall be contained in an application for a grant under this section.

(3) To establish criteria for evaluating applications and awarding grants under this section. The criteria shall give priority to projects that will increase broadband access or capacity in areas of the state with limited or no broadband access. The criteria shall prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

SECTION 2. 20.505 (4) (u) of the statutes is created to read:

20.505 (4) (u) *Broadband expansion grants.* From the universal service fund, the amounts in the schedule for broadband expansion grants under s. 16.9795.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

(END)

Note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0996/P1dn

EVM:/.....

Suc

- date -

ATTN: Sasha Bong

This draft does not include any restriction regarding who may be an applicant under the broadband expansion grant program. Please let me know if you want to include a restriction or if you would like any other changes.

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0996/P1dn
EVM:sac:ph

January 14, 2013

ATTN: Sasha Bong

This draft does not include any restriction regarding who may be an applicant under the broadband expansion grant program. Please let me know if you want to include a restriction or if you would like any other changes.

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov



(Note)
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0996/P1 1P2
EVM:sac:ph

DOA:.....Bong, BB0341 - Broadband expansion grant program

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

(RMR)

In 1/31/13

DWF ✓

1 AN ACT *do not gen*; relating to: the budget.

Analysis by the Legislative Reference Bureau

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OTHER STATE GOVERNMENT

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.9795 of the statutes is created to read:

16.9795 Broadband expansion grant program. The department shall

administer the broadband expansion program and shall have the following powers:

(a) ~~(1)~~ To make broadband expansion grants to ^{eligible} applicants for the purpose of constructing broadband infrastructure. The department shall establish 3 tiers of grants under the program. One tier shall require no matching funds by the applicant, one tier shall require matching funds by the applicant, and one tier shall require a joint investment by the applicant. Grants awarded under this section shall be paid from the appropriation under s. 20.505 (4) (u).

(b) ~~(2)~~ To prescribe the form, nature, and extent of the information that shall be contained in an application for a grant under this section.

(c) ~~(3)~~ To establish criteria for evaluating applications and awarding grants under this section. The criteria shall give priority to projects that will increase broadband access or capacity in areas of the state with limited or no broadband access. The criteria shall prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

SECTION 2. 20.505 (4) (u) of the statutes is created to read:

20.505 (4) (u) *Broadband expansion grants.* From the universal service fund, ^{as a continuing appropriation} the amounts in the schedule for broadband expansion grants under s. 16.9795.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

(END)

(1) ^{In} Under this section, "eligible applicant" means a city, village, ^{town, or} county, or an organization, including a cooperative, operated for ^{the} profit or not for profit.

(2)

Note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0996/P2dn

EVM:sac: *de*

- date -

ATTN: Sasha Bong

This draft contains a limitation on the persons who may apply for a broadband expansion grant. Please review the definition of "eligible applicant" to ensure this provision meets your intent.

Also, the appropriation under s. 20.505 (4) (u), as created in this draft, is now a sum certain continuing appropriation. As such, DOA may expend only the amounts listed in the 20.005 schedule, but the appropriation does not lapse. I have not included a lifetime limit in the appropriation text because specifying such a limit would not impose any greater restriction on DOA and would not effectively limit the actions of future legislatures.

Please let me know if you have any questions or further instructions.

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov

Mueller, Eric

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Wednesday, January 30, 2013 9:55 AM
To: Mueller, Eric
Subject: RE: Broadband grant program appropriation (LRB 0996/1)

Eric,

Thanks for your response. I wanted to let you know that as of yesterday, language for the broadband grant program will be in the budget, not separate legislation.

We do want to create 20.505(4)(u) as a SEG, continuing appropriation with the \$4.7 million lifetime limit specified in the appropriation language. Related to your note on this draft, applicants can be county, municipal and other local governments; co-operatives; nonprofit organizations or companies; and for-profit companies. I'm currently waiting on more specific information about the structure of the program and will pass it on to you as soon as I have it.

Thanks,

Sasha

From: Mueller, Eric [<mailto:Eric.Mueller@legis.wisconsin.gov>]
Sent: Friday, January 25, 2013 9:32 AM
To: Bong, Sasha E - DOA
Subject: RE: Broadband grant program appropriation (LRB 0996/1)

Sasha,

A continuing appropriation is expendable until fully depleted, it does not automatically lapse.

Eric Mueller
Attorney, Legislative Reference Bureau
Phone: (608)261-7032
eric.mueller@legis.wisconsin.gov

From: Bong, Sasha E - DOA [<mailto:SashaE.Bong@wisconsin.gov>]
Sent: Thursday, January 24, 2013 5:13 PM
To: Mueller, Eric
Cc: Kraus, Jennifer - DOA
Subject: Broadband grant program appropriation (LRB 0996/1)

Eric,

For s. 20.505(4)(u), created in the broadband grant program draft, our intent is for the appropriation to be funded from the unappropriated balance of the Universal Service Fund, with a lifetime limit of \$4.7 million. The intent is for the \$4.7 million to be appropriated only in FY13, but for spending to continue in FY14 and FY15. How could the appropriation be designed to accommodate the \$4.7 million lifetime limit but also allow continued spending in FY14 and FY15?

Thanks,

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0996/P2dn
EVM:sac:ph

January 31, 2013

ATTN: Sasha Bong

This draft contains a limitation on the persons who may apply for a broadband expansion grant. Please review the definition of "eligible applicant" to ensure this provision meets your intent.

Also, the appropriation under s. 20.505 (4) (u), as created in this draft, is now a sum certain continuing appropriation. As such, DOA may expend only the amounts listed in the 20.005 schedule, but the appropriation does not lapse. I have not included a lifetime limit in the appropriation text because specifying such a limit would not impose any greater restriction on DOA and would not effectively limit the actions of future legislatures.

Please let me know if you have any questions or further instructions.

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov

Mueller, Eric

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Monday, February 04, 2013 4:33 PM
To: Mueller, Eric
Subject: RE: BB0341 (LRB-0996/P2)

Eric,

The answers to all three of your questions is yes. For number 3, the intent is for DOA and the PSC to identify underserved areas prior to the program's application process.

Thanks,

Sasha

From: Mueller, Eric [<mailto:Eric.Mueller@legis.wisconsin.gov>]
Sent: Monday, February 04, 2013 3:34 PM
To: Bong, Sasha E - DOA
Subject: RE: BB0341 (LRB-0996/P2)

Sasha,

A couple questions:

1. Do you want to retain the language prohibiting grants that have the effect of subsidizing the expenses of a telecommunications service provider or the monthly bills of telecommunications customers?
2. Is "an organization, including a cooperative, operated for profit or not for profit or a telecommunications utility" an acceptable definition for "eligible applicant?"
3. Do you want DOA and PSC to prospectively designate "underserved areas" as part of their program powers?

Regarding the appropriation, I agree that PSC would not be required to collect funds to fund the program. Also, specifying the maximum amount in the text of the appropriation doesn't really change anything regarding a future legislature's powers. If the maximum amount were specified in the appropriation paragraph and if another legislature wanted to add additional amounts, the language in the paragraph can simply be changed to a higher amount.

Thanks,

Eric Mueller
Attorney, Legislative Reference Bureau
Phone: (608)261-7032
eric.mueller@legis.wisconsin.gov

From: Bong, Sasha E - DOA [<mailto:SashaE.Bong@wisconsin.gov>]
Sent: Friday, February 01, 2013 5:20 PM
To: Mueller, Eric
Cc: Kraus, Jennifer - DOA
Subject: BB0341 (LRB-0996/P2)

Eric,

Below are changes for BB0341 (Broadband expansion grant program):

- Modify the definition of an “eligible applicant” so that it means a for-profit company, nonprofit organization, cooperative, or telecommunications utility. Municipal and local governments would not be included in the definition of an “eligible applicant,” but could partner with other permitted applicants in submitting a grant application.
- DOA would make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in an underserved area.
 - An underserved area would be defined as an area not served by a broadband Internet service provider or served by only one provider, as determined by DOA and the PSC.
- Broadband grant applications should contain information on the areas of the state that will be affected by the proposed project and how the proposed project will increase access to broadband Internet service.
- DOA would still establish criteria for evaluating applications and awarding grants. In consultation with the PSC or other agencies, DOA will assess grant applications based on those criteria.
- Rather than a tier system for the grant awards, grant applications that have matching funds, involve public-private partnerships, or propose projects affecting a large geographic area or large number of previously underserved individuals or communities will be given priority.

Related to your note, our preference would be for the appropriation language for 20.505(4)(u) to specify “From the unencumbered balance of the Universal Service Fund, \$4.7 million, as a continuing appropriation, for broadband expansion grants.” If that would not be possible, our intent is for PSC to not build funding for this program into the required USF contributions from telecommunications providers. My understanding is that because 20.505(4)(u) is not included under s. 196.218(3)(a)3., PSC would not be required to collect funds from the telecommunications providers to fund the program. Please correct me if that is not your interpretation.

Let me know if you have any questions or need further clarification.

Thanks,

Sasha



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0996/P2
EVM:sac:ph

1P3

EKF

RMR

DOA:.....Bong, BB0341 - Broadband expansion grant program

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

INSERTS

In 2/5/13

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

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OTHER STATE GOVERNMENT

This bill creates a broadband expansion program. Under the program, DOA makes broadband expansion grants from the universal service fund to applicants for the purpose of constructing broadband infrastructure. ~~DOA must establish three tiers of grants, one that requires no matching funds by the applicant, one that requires matching funds by the applicant, and one that requires a joint investment by the applicant.~~ DOA must ~~also~~ establish criteria for evaluating applications and awarding grants. These criteria must give priority to projects that ~~will increase broadband access and capacity in areas of the state with limited or no broadband access and may not~~ have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

in underserved
in underserved areas
designated by DOA in
consultation with PSC

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

include matching funds, that involve public-private partnerships, or that affect a large geographic area or a large number of underserved individuals or communities. The criteria must prohibit grants that

in consultation
with PSC

SECTION 1. 16.9795 of the statutes is created to read:

16.9795 Broadband expansion grant program. (1) In this section,

"eligible applicant" means a city, village, town, or county or an organization, including a cooperative, operated for profit or not for profit, or a telecommunications utility.

(2) The department shall administer the broadband expansion program and shall have the following powers:

(a) In consultation with the public service commission, To make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated under par. (d). The department shall establish 3 tiers of grants under the program. One tier shall require no matching funds by the applicant, one tier shall require matching funds by the applicant, and one tier shall require a joint investment by the applicant. Grants awarded under this section shall be paid from the appropriation under s. 20.505 (4) (u).

(b) To prescribe the form, nature, and extent of the information that shall be contained in an application for a grant under this section.

(c) To establish criteria for evaluating applications and awarding grants under this section. The criteria shall give priority to projects that will increase broadband access or capacity in areas of the state with limited or no broadband access. The criteria shall prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

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(END)

LRB-0996/P3ins
EVM:sac:ph

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Mueller, Eric

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Wednesday, February 06, 2013 9:39 AM
To: Mueller, Eric
Subject: RE: BB0341 (LRB-0996/P3)

Eric,

I have a few changes to the most recent draft for the Broadband grant program:

For the definition of an 'eligible applicant,' please add that municipal and local governments may be considered eligible applicants if they submit an application in partner with one of the entities listed in s. 16.9795(1)(a).

Also, would there be a way to rearrange the definition under (1)(a) so that there is a greater distinction between cooperatives and organizations operated for profit or not for profit? I understand that with the current structure, the 'operated for profit or not for profit' applies to 'an organization,' but there may be confusion that 'operated for profit or not for profit' applies to 'cooperative.' Ideally, the definition would read something similar to "an organization, operated for profit or not for profit, cooperative, or a telecommunications utility." I'd appreciate if you could let me know potential options for restructuring the definition.

In s. 16.9795(1)(c), please add that the criteria for evaluating applications and awarding grants shall give priority to projects in areas with no broadband service providers and projects that include matching funds.

I understand that the middle part of my message may be confusing, so please feel free to call (266-5468) for any clarifications or additional questions.

Thanks,

Sasha

From: Mueller, Eric [mailto:Eric.Mueller@legis.wisconsin.gov]
Sent: Monday, February 04, 2013 3:34 PM
To: Bong, Sasha E - DOA
Subject: RE: BB0341 (LRB-0996/P2)

Sasha,

A couple questions:

1. Do you want to retain the language prohibiting grants that have the effect of subsidizing the expenses of a telecommunications service provider or the monthly bills of telecommunications customers?
2. Is "an organization, including a cooperative, operated for profit or not for profit or a telecommunications utility" an acceptable definition for "eligible applicant?"
3. Do you want DOA and PSC to prospectively designate "underserved areas" as part of their program powers?

Regarding the appropriation, I agree that PSC would not be required to collect funds to fund the program. Also, specifying the maximum amount in the text of the appropriation doesn't really change anything regarding a future legislature's powers. If the maximum amount were specified in the appropriation paragraph and if another legislature wanted to add additional amounts, the language in the paragraph can simply be changed to a higher amount.

Thanks,

Eric Mueller
Attorney, Legislative Reference Bureau
Phone: (608)261-7032
eric.mueller@legis.wisconsin.gov

From: Bong, Sasha E - DOA [<mailto:SashaE.Bong@wisconsin.gov>]
Sent: Friday, February 01, 2013 5:20 PM
To: Mueller, Eric
Cc: Kraus, Jennifer - DOA
Subject: BB0341 (LRB-0996/P2)

Eric,

Below are changes for BB0341 (Broadband expansion grant program):

- Modify the definition of an “eligible applicant” so that it means a for-profit company, nonprofit organization, cooperative, or telecommunications utility. Municipal and local governments would not be included in the definition of an “eligible applicant,” but could partner with other permitted applicants in submitting a grant application.
- DOA would make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in an underserved area.
 - An underserved area would be defined as an area not served by a broadband Internet service provider or served by only one provider, as determined by DOA and the PSC.
- Broadband grant applications should contain information on the areas of the state that will be affected by the proposed project and how the proposed project will increase access to broadband Internet service.
- DOA would still establish criteria for evaluating applications and awarding grants. In consultation with the PSC or other agencies, DOA will assess grant applications based on those criteria.
- Rather than a tier system for the grant awards, grant applications that have matching funds, involve public-private partnerships, or propose projects affecting a large geographic area or large number of previously underserved individuals or communities will be given priority.

Related to your note, our preference would be for the appropriation language for 20.505(4)(u) to specify “From the unencumbered balance of the Universal Service Fund, \$4.7 million, as a continuing appropriation, for broadband expansion grants.” If that would not be possible, our intent is for PSC to not build funding for this program into the required USF contributions from telecommunications providers. My understanding is that because 20.505(4)(u) is not included under s. 196.218(3)(a)3., PSC would not be required to collect funds from the telecommunications providers to fund the program. Please correct me if that is not your interpretation.

Let me know if you have any questions or need further clarification.

Thanks,

Sasha



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0996/P3 1P4
EVM:sac:rs

DOA:.....Bong, BB0341 - Broadband expansion grant program

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

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STATE GOVERNMENT

OTHER STATE GOVERNMENT

* This bill creates a broadband expansion program. Under the program, DOA in consultation with PSC makes broadband expansion grants from the universal service fund to applicants for the purpose of constructing broadband infrastructure in underserved areas designated by DOA in consultation with PSC. DOA must establish criteria for evaluating applications and awarding grants. These criteria must give priority to projects that include matching funds, that involve public-private partnerships, or that affect a large geographic area or a large number on underserved individuals or communities. The criteria must prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 16.9795 of the statutes is created to read:

that affect areas with no broadband service providers,

3. A city, village, town, or county that submits an application in partnership with an eligible applicant under subd. 1. or 2.

16.9795 Broadband expansion grant program. (1) In this section:

(a) "Eligible applicant" means an organization, including a cooperative operated for profit or not for profit of a telecommunications utility.

(b) "Underserved" means served by fewer than 2 broadband service providers.

(2) The department shall administer the broadband expansion program and shall have the following powers:

(a) In consultation with the public service commission, to make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated under par. (b). Grants awarded under this section shall be paid from the appropriation under s. 20.505 (4) (u).

(b) To prescribe the form, nature, and extent of the information that shall be contained in an application for a grant under this section. The application shall require the applicant to identify the area of the state that will be affected by the proposed project and explain how the proposed project will increase broadband access.

(c) To establish criteria for evaluating applications and awarding grants under this section. The criteria shall prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers. The criteria shall give priority to projects that include matching funds, that involve public-private partnerships, or that affect a large geographic area or a large number of underserved individuals or communities.

(d) In consultation with the public service commission, to designate areas of the state that are underserved as underserved areas.

SECTION 2. 20.505 (4) (u) of the statutes is created to read:

that affect areas with no broadband service providers,

20.505 (4) (u) *Broadband expansion grants.* From the universal service fund,
as a continuing appropriation the amounts in the schedule for broadband expansion
grants under s. 16.9795.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 (END)



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0996/P4
EVM:sac&kjf:ph

DOA:.....Bong, BB0341 – Broadband expansion grant program

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

This bill creates a broadband expansion program. Under the program, DOA in consultation with PSC, makes broadband expansion grants from the universal service fund to applicants for the purpose of constructing broadband infrastructure in underserved areas designated by DOA in consultation with PSC. DOA must establish criteria for evaluating applications and awarding grants. These criteria must give priority to projects that include matching funds, that involve public-private partnerships, that affect areas with no broadband service providers, or that affect a large geographic area or a large number on underserved individuals or communities. The criteria must prohibit grants that have the effect of subsidizing the expenses of a telecommunication service provider or the monthly bills of telecommunications customers.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 16.9795 of the statutes is created to read:

2 **16.9795 Broadband expansion grant program.** (1) In this section:

3 (a) “Eligible applicant” means any of the following:

4 1. An organization operated for profit or not for profit, including a cooperative.

5 2. A telecommunications utility.

6 3. A city, village, town, or county that submits an application in partnership
7 with an eligible applicant under subd. 1. or 2.

8 (b) “Underserved” means served by fewer than 2 broadband service providers.

9 (2) The department shall administer the broadband expansion program and
10 shall have the following powers:

11 (a) In consultation with the public service commission, to make broadband
12 expansion grants to eligible applicants for the purpose of constructing broadband
13 infrastructure in underserved areas designated under par. (d). Grants awarded
14 under this section shall be paid from the appropriation under s. 20.505 (4) (u).

15 (b) To prescribe the form, nature, and extent of the information that shall be
16 contained in an application for a grant under this section. The application shall
17 require the applicant to identify the area of the state that will be affected by the
18 proposed project and explain how the proposed project will increase broadband
19 access.

20 (c) To establish criteria for evaluating applications and awarding grants under
21 this section. The criteria shall prohibit grants that have the effect of subsidizing the
22 expenses of a telecommunication service provider or the monthly bills of
23 telecommunications customers. The criteria shall give priority to projects that
24 include matching funds, that involve public-private partnerships, that affects areas

1 with no broadband service providers, or that affect a large geographic area or a large
2 number of underserved individuals or communities.

3 (d) In consultation with the public service commission, to designate areas of the
4 state that are underserved as underserved areas.

5 **SECTION 2.** 20.505 (4) (u) of the statutes is created to read:

6 20.505 (4) (u) *Broadband expansion grants.* From the universal service fund,
7 as a continuing appropriation the amounts in the schedule for broadband expansion
8 grants under s. 16.9795.

****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

9 (END)